

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL MEMORANDUM

SB 1579 – HB 1423

June 8, 2009

SUMMARY OF AMENDMENTS (009102, 009302): Amendment 009102 deletes all language following the enacting clause. Expands the definition of “contest” to include exhibitions and individuals who have previously competed as professionals. Expands the definitions of “event,” “permit,” “professional,” and “sanctioning organization” to include amateur events and amateur participants. Requires promoters of professional contests or amateur events to obtain a permit from the Tennessee Athletic Commission. Requires the Commission to impose penalties up to 25 percent of taxes or fees that are due for improper reporting and non-payment of taxes and fees. Requires that any complaint filed with the Commission be on a form prescribed by the Commission. Authorizes the Commission to hire individuals to assist ring officials. All employees hired will be considered executive service state employees and will not be eligible for state employee benefits including workers’ compensation and membership in the Tennessee Consolidated Retirement System. Amendment 009302 requires individuals that are hired to be employed upon recommendation by the administrator and approved by the Commission. Changes the reference to “state employees” to “part-time state employees.”

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures – Not Significant

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENTS:

Increase State Revenue - \$22,800

Increase State Expenditures - \$16,300

Assumptions applied to amendments:

- According to the Department of Commerce and Insurance, permit fees are currently collected for professional contests.
- According to the Department, there will be an estimated 130 events per year at which amateurs participate. The increase in revenue generated

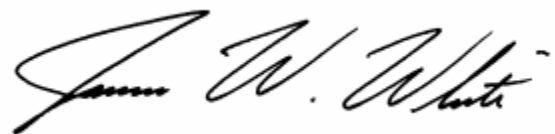
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by the collection of permit fees for these events is estimated to equal \$6,500 (\$50 permit fee x 130 events).

- The Department has requested 20 part-time positions for Athletic Commission inspectors to assist the Commission and ring officials with on-site regulation of events. Because these positions will be classified as part-time the employees will not be eligible for state employee benefits; however, the part-time employees will receive the same legal protection from liability as full-time state employees. Each inspector will be paid \$100 per event plus travel reimbursement.
- The part-time inspectors will be located across the state to minimize travel expense. Fiscal Review Committee staff estimate average round trip mileage of 50 miles per event.
- The cost for the part-time inspectors will be paid by the promoter in addition to their permit fees. Estimated increase in state revenue for payment of inspector costs will equal \$16,315 [\$13,000 stipends (130 events x \$100) + \$3,315 mileage (50 miles x \$.51 per mile x 130 events)].
- An estimated 130 events per year will result in an increase in state expenditures of \$13,000 (130 events x \$100 per event) for the payment of part-time inspectors. Reimbursement of travel expenses for part-time inspectors will result in an estimated increase in state expenditures of \$3,315 (50 miles x \$.51 per mile x 130 events). Total increase in state expenditures is estimated to be \$16,315.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" and last name "White" clearly distinguishable.

James W. White, Executive Director

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